

## Message Text

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ACTION AF-10

INFO OCT-01 EUR-12 ISO-00 EB-08 COME-00 TRSE-00 XMB-02

DOE-15 SOE-02 DOEE-00 INRE-00 CIAE-00 INR-10

NSAE-00 SSO-00 /060 W

-----061398 201434Z /46

O P 201130Z MAR 78

FM AMEMBASSY ABIDJAN

TO SECSTATE WASHDC IMMEDIATE 7897

INFO AMEMBASSY PARIS PRIORITY

C O N F I D E N T I A L ABIDJAN 2646

E.O. 11652: XGDS-3

TAGS: ENRG, PEPR, IV, FR

SUBJ: MAJOR PROJECT--REFINERY EXPANSION

REF: A. STATE 063723 B. STATE 060042

1. AMBASSADOR HAS DISCUSSED PROPOSED SIR REFINERY EXPANSION WITH BOTH PETROCI DIRECTOR TOUNGARA AND IVORIAN FINANCIAL ADVISER DOUOGUIH. LATTER IS BASED IN NEW YORK BUT WILL BE IN ABIDJAN ON FAMILY AND OTHER BUSINESS UNTIL END OF MONTH. DOUOGUIH HAS BEEN CLOSELY INVOLVED IN STIMULATING BIDS ON REFINERY EXPANSION BY U.S. FIRMS AND IT IS LIKELY THAT FLUOR CORPORATION AND CHEVRON CONTACTED DEPARTMENT AT DOUOGUIH'S SUGGESTION (REFTEL A). IVORIAN MINISTER OF MINES GUI DIBO HAS BEEN OUT OF ABIDJAN FOR PAST TEN DAYS. HE IS EXPECTED BACK BY MARCH 23 AND AMBASSADOR EXPECTS TO SEE HIM AT THAT TIME.

2. BOTH TOUNGARA AND DOUOGUIH PROFESS TO BE STRONGLY IN FAVOR OF AWARDED LICENSING AND CONSTRUCTION CONTRACT FOR HYDRO-CRACKING COMPONENT OF REFINERY EXPANSION TO U.S. FIRMS. THEY BELIEVE THAT ALTHOUGH FRENCH ARE CAPABLE OF HANDLING HYDRO-SKIING TECHNOLOGY (WHICH REPRESENTS CONFIDENTIAL

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LARGEST PORTION OF PLANNED EXPANSION), ONLY U.S. FIRMS CAN BE TRUSTED WITH HYDR-CRACKING TECHNOLOGY. DOUOGUIH TOLD AMBASSADOR ON MARCH 17 THAT SIR TECHNICAL COMMITTEE, WHICH SITS IN PARIS, RECOMMENDED LAST WEEK THAT LICENSING AND CONSTRUCTION OF HYDRO-CRACKING FACILITY NOT REPEAT NOT BE AWARDED TO FRENCH FIRM. THIS RECOMMENDATION HAS CAUSED PRESIDENT HOUPHOUET-BOIGNY TO RECONSIDER HIS

EARLIER DECISION TO TURN OVER ALL ASPECTS OF REFINERY  
EXPANSION TO FRENCH FIRMS.

3. ACCORDING TO DOUOGUIH, HOUPHOUET HAS SUMMONED SIR  
TECHNICAL COMMITTEE TO ABIDJAN AND INTENDS TO DISCUSS  
WITH THEM HOW HYDR-CRACKING CONTRACTS SHOULD BE AWARDED.  
DOUOGUIH BELIEVES THAT TECHNICAL COMMITTEE MEMBERS WILL  
ARRIVE IN ABIDJAN ON OR ABOUT MARCH 23 AND THAT HOUPHOUET  
WILL MAKE DEFINITE DECISION SOMETIME BETWEEN MARCH 23  
AND END OF MONTH.

4. BOTH DMUOGUIH AND TOUNGARA STRONGLY RECOMMEND THAT  
FLUOR CORPORATION SEND IMMEDIATELY TO ABIDJAN SENIOR  
EXECUTIVE TEAM TO PRESENT CASE DIRECT TO HOUPHOUET AND  
MINISTER OF MINES. IVORIAN OFFICIALS THINK IT WOULD  
BE DESIRABLE FOR PRESIDENT OF FLUOR TO COME TO ABIDJAN  
THIS WEEK AND SAY THAT IF HE WERE WILLING TO DO THIS,  
THEY COULD ARRANGE MEETING WITH HOUPHOUET. DOUOGUIH  
AND TOUNGARA ARE CONVINCED THAT FLUOR AND CHEVRON HAVE  
EXCELLENT CHANCE OF LANDING CONTRACTS FOR CONSTRUCTION  
AND LICENSING, BUT THAT QUICK VISIT BY SENIOR EXECUTIVES  
OF ONE OR BOTH COMPANIES THIS WEEK WILL BE NECESSARY  
TO SEW UP CONTRACTS.

5. COMMENT: WE RECOMMEND THAT DEPARTMENT PASS THIS  
INFORMATION TO FLUOR, CHEVRON AND PERHAPS OTHER U.S. BIDDERS  
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WITH RECOMMENDATION THAT SENIOR EXECUTIVES COME TO ABIDJAN ON  
OR ABOUT MARCH 23. AS DEPARTMENT IS AWARE, DOUOGUIH AND TOUNGARE  
ARE BOTH U.S. TRAINED AND WE BELIEVE THAT THEY HAVE A  
SINCERE INTEREST IN ASSURING THAT HYDRO-  
CRACKING CONTRACTS GO TO U.S. FIRMS WHICH THEY RECONGNIZE  
ARE BEST QUALIFIED IN THIS FIELD. IF FLUOR CORPORATION  
AND/OR CHEVRON ARE PREPARED TO SEND REPRESENTATIVES TO  
ABIDJAN THIS WEEK, DEPARTMENT SHOULD PASS THIS INFORMATION  
TO US BY IMMEDIATE CABLE. WE CAN THEN RELAY IT TO DOUOGUIH  
AND TOUNGARA. THIS WOULD LESSEN RISK THAT IVORIAN GOVERN-  
MENT WILL MAKE HASTY DECISION WITHOUT FULLY CONSIDERING  
MERITS OF BIDS BY U.S. FIRMS.  
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## Message Attributes

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**Channel Indicators:** n/a  
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**Review Markings:**  
Sheryl P. Walter  
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